

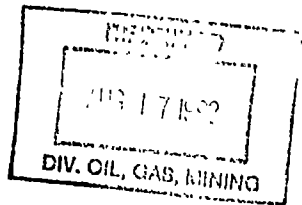
ENRON

Oil & Gas Company

1801 California Street, Suite 3400, Denver, Colorado 80202 (303) 293-2525

August 14, 1992

Utah State Office
Bureau of Land Management
P.O. Box 45155
Salt Lake City, Utah 84145-0155



Attention: Mr. Robert A. Henricks
Chief, Branch of Fluid Minerals

RE: Designations of Agent
NBU 313-29E, 317-12E, 321-10E, 324-7E,
325-8E, 351-8E, 352-10E, 355-19E,
356-29E, 358-1E, 360-13E
Uintah County, Utah
Natural Buttes Prospect
1540-AA29, 0050622-000, 0050623-000,
0050625-000, 0050636-000, 0050638-000,
0050650-000, 0050657-000

Gentlemen:


Enclosed, for your approval, are three (3) copies of a blanket Designation of Agent pertaining to Enron Oil & Gas Company's proposed eleven (11) wells listed on Exhibit "A" thereto. All copies have been originally executed on behalf of Coastal Oil & Gas Corporation.

When approved, please forward the approved Designation of Agent to my attention at the letterhead address.

If anything further is needed in connection with this matter, please contact the undersigned at the telephone number listed in the letterhead.

Yours very truly,

ENRON OIL & GAS COMPANY


Toni Lei Miller
Project Landman

TLM/dac
Enclosure
10368T

cc: Vernal District, BLM (with copy of enclosure)
Division of Oil, Gas & Mining, Attn: Ms. Tami Searing
(with copy of enclosure)
Jim Schaefer - Big Piney (with copy of enclosure)
George R. McBride - Vernal (with copy of enclosure)
Coastal Oil & Gas Corporation, Attn: Mr. Donald H. Spicer
(with copy of enclosure)

DESIGNATION OF AGENT

Robert A. Henricks
Chief, Branch of Fluid Minerals

The undersigned is, on the records of the Bureau of Land Management, Unit Operator under the Natural Buttes Unit Agreement, Uintah County, Utah, No. 14-08-00018900 approved January 5, 1968, and hereby designates:

NAME: Enron Oil & Gas Company

ADDRESS: P. O. Box 1815
Vernal, Utah 84078

as its agent, with full authority to act in its behalf in complying with the terms of the unit agreement and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Oil and Gas Operating Regulations with respect to drilling, testing, and completing the unit wells listed on the attached Exhibit "A" which are located in Uintah County, Utah.

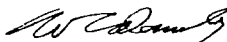

This designation of agent does not relieve the Unit Operator of responsibility for compliance with the terms of the unit agreement. It is also understood that this designation of agent does not constitute an assignment of any interest under the unit agreement or any lease committed thereto.

The designated agent will be responsible for compliance with the Oil and Gas Operating Regulations as they relate to the drilling, testing, and completing of each of the subject wells. In accordance with 3104.2, bonding shall be provided by Enron Oil & Gas Company, Bond No. 81307603.

This designation of agent is deemed to be temporary and in no manner a permanent arrangement.

This designation is given only to enable the agent herein designated to drill the above specified unit wells. Unless sooner terminated, this designation shall terminate as to each well when there is filed in the appropriate district office of the Bureau of Land Management a completed file of all required Federal reports pertaining to that well. At which time the Unit Operator shall assume all liability of that well and bonding shall be provided by the Unit Operator or as otherwise arranged by the unit agreement. It is also understood that this designation of agent is limited to field operations and does not cover administrative actions requiring specific authorization of the Unit Operator.

COASTAL OIL & GAS CORPORATION, Unit Operator

By:  
W. L. Donnelly, Vice President

Date: August 4, 1992

EXHIBIT "A"

Attached to and made a part of that certain Designation of Agent dated August 4, 1992, from Coastal Oil & Gas Corporation.

WELL NAME	LOCATION			
	DIV	SEC	TWP	RGE
NBU 313-29E	NENE	29	9	21
NBU 317-12E	NENE	12	9	20
NBU 321-10E	SESW	10	9	21
NBU 324-7E	SESW	7	9	21
NBU 325-8E	SWSW	8	9	21
NBU 351-8E	NENW	8	9	21
NBU 352-10E	NWSW	10	9	21
NBU 355-19E	NENW	19	9	21
NBU 356-29E	SWNE	29	9	21
NBU 358-1E	SWSE	1	10	20
NBU 360-13E	NWSW	13	10	20

All Township and Range references are South and East of the Salt Lake Meridian in Uintah County, Utah

ENRON

OIL & GAS COMPANY

U.S. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

August 18, 1992

Bureau of Land Management
Vernal District
170 South 500 East
Vernal, Utah 84078

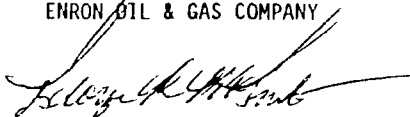
RE NOTICE OF STAKING
NATURAL BUTTES UNIT 324-7E
Sec. 7, T9S, R21E
Uintah County, Utah
Lease No. U-0575-B

Dear Mr. Forsman,

Attached is a Notice of Staking on the subject well.

If you require further information, please contact this office.

Very truly yours,
ENRON OIL & GAS COMPANY



George McBride
Sr. Production Foreman

Attachment

cc: Division of Oil Gas & Mining
Doug Weaver/Toni Miller
Curt Parsons
File

/lw
NOSLTR

RECEIVED

AUG 19 1992

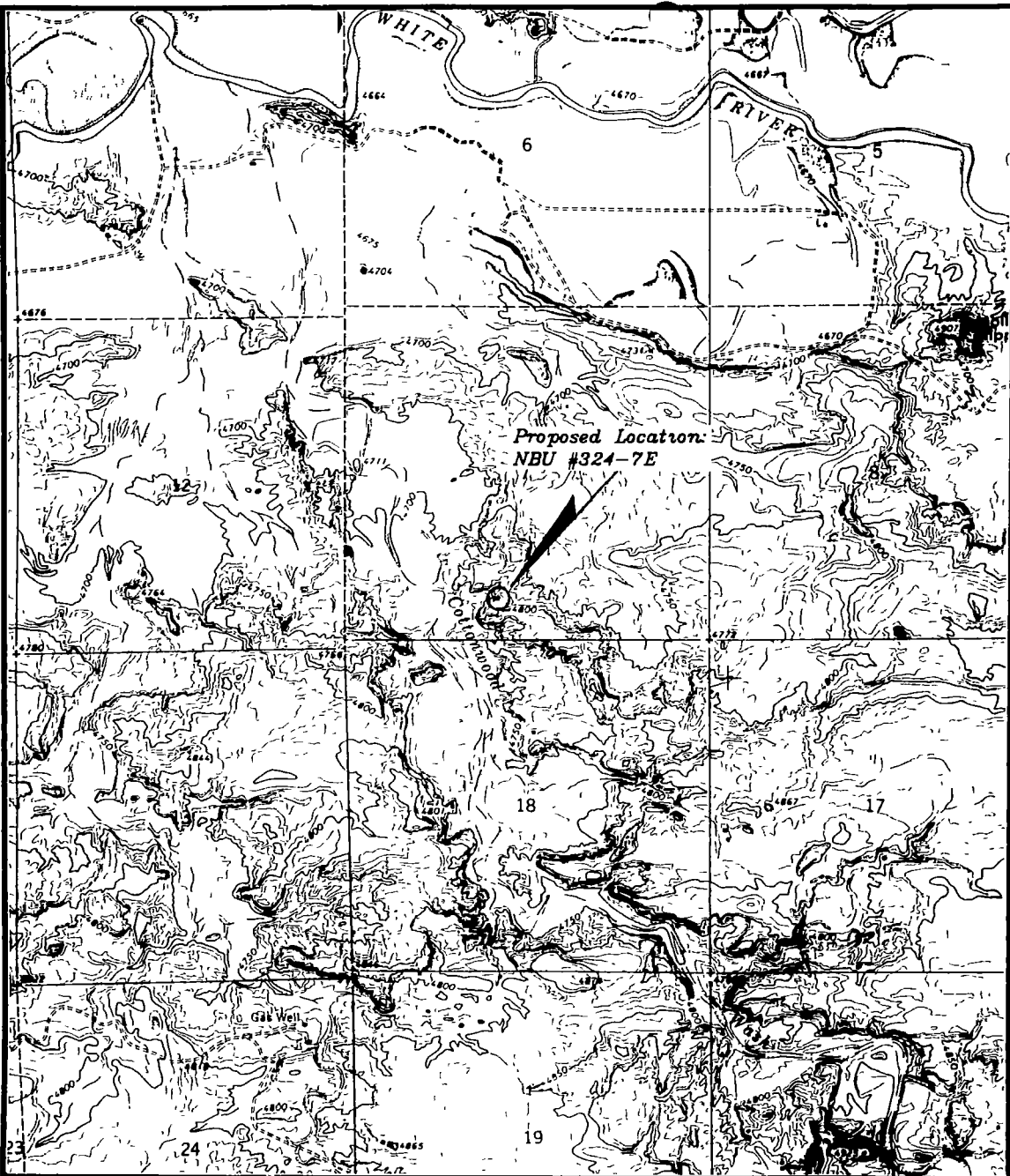
**DIVISION OF
OIL GAS & MINING**

NOTICE OF STAKING (Not to be used in place of Application to Drill Form 9-551-C)		PMOGA 5/5/82	5 Lease Number U-0575-B
1 <input type="radio"/> Oil Well <input checked="" type="radio"/> Gas Well <input type="radio"/> Other		6 If Indian Allottee or Tribal, or UTE TRIBAL SURFACE	
2 Name of Operator Enron Oil & Gas Company		7 Unit Agreement Name Natural Buttes Unit	
3 Address of Operator or Agent P. O. Box 1815, Vernal Utah 84078		8 Farm or Lease Name Natural Buttes Unit	
4 Surface Location of Well (Governmental 1/4 or 1/4 1/4) 660' FSL, 2450' FWL SE/SW		9 Well No 324-7E	
Attach Topographical or other acceptable map Showing location, access road and lease boundaries		10 Field or Wildcat Name NBU/Wasatch	
14 Formation Objective(s) Wasatch		11 Sec., T., R., M., or Blk. and Survey or Area Sec 7, T9S, R21E	
15 Estimated Well Depth 7300		12 County or Parish Utah	
		13 State Utah	
16 To Be Completed by Operator Prior to Onsite <ul style="list-style-type: none"> a Location must staked - Completed b Access Road Flagged - Completed c Sketch and/or map of location, showing road, pad dimensions reserve pit, cuts, and fills (To be provided at onsite) 			
17 To Be Considered By Operators Prior to Onsite <ul style="list-style-type: none"> a H2S Potential - NA b Private Surface Ownership - NA c Cultural Resources (Archaeology) - Completed d Federal Right of Way 			
18 Additional Information			
19 Signed <i>Linda L. Wall</i> Title Sr Admin Clerk		Date 08/18/92	

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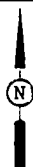
AUG 19 1992

**DIVISION OF
OIL GAS & MINING**



TOPOGRAPHIC
MAP

SCALE 1" = 2000'
DATE 8-11-92 JLG



ENRON OIL & GAS CO.

NBU #324-7E
SECTION 7, T9S, R21E, S1B & M

ENRON

OIL & GAS COMPANY

P.O. BOX 161 VERNAL UTAH 84078 (801) 784-0729

September 14, 1992

Bureau of Land Management
Vernal District
171 South 500 East
Vernal, Utah 84078

RE. APPLICATION FOR PERMIT TO DRILL
NATURAL BUTTES UNIT 324-7E
SECTION 7, 19S, R21E
UINTAH COUNTY, UTAH
LEASE NO. U-0575-B
UTE TRIBAL LANDS

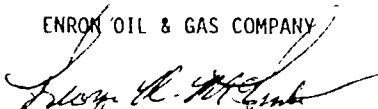
Dear Mr. Forsman

Enclosed are the original and two (2) copies of the Application for Permit to Drill and associated attachments for the referenced well.

If further information is required regarding this matter, please contact this office

Sincerely,

ENRON OIL & GAS COMPANY


George R. McBride
Sr. Production Foreman

Attachments

cc: State Division of Oil, Gas & Mining
D. Weaver/T. Miller
Suzanne Saldivar - Houston
File

/lw
NBU324-7EAPD

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SEP 21 1992

DIVISION OF
OIL GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL DEEPEN OR PLUG BACK

10. TYPE OF WORK: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK		U-0575-B
11. NAME OF OPERATOR: Enron Oil & Gas Company		Ute Tribal Surface
12. ADDRESS OF WELL (Include complete address and if necessary, well name): P.O. Box 1811, Vernal, Utah 84078		Natural Buttes Unit
13. LOCATION OF WELL (Include complete address and if necessary, well name): .1106' FSL & 2481' FWL SE/SW		Natural Buttes Unit
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 8.6 Miles Southeast of Ouray, Utah		324-7E
15. NO. OF ACRES IN LEASE: 1106 ±		NBU/Wasatch
16. PROPOSED DEPTH: 7300'		Sec. 7, T9S, R21E
17. NO. OF ACRES ANTI-CED IN THIS WELL: 80		Utah
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING COMPLETE OR APPLICABLE FOR ON THIS LEASE: 1107 ±		Rotary
19. ELEVATIONS (Show whether DF, RT, GR, etc.): 4766' Graded Ground		October 1992

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	32.3#	240'	125 sx Class "G" + 2% CaCl2 + 1/2 #/sx celloflake. 50/50 Pozmix + 2% gel + 10% salt to 400' above all zones of interest (+ 10% excess). Light cement (11 PPG) + LCM to 200' above oil shale or fresh water intervals (+ 5% excess).
7 7/8"	4 1/2"	10.5#	7300'	

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DIVISION OF
OIL GAS & MINING

SEE ATTACHMENTS FOR:

8 Point Plan
Drilling Program
BOP Schematic
Surface Use and Operating Plan
Location Plat
Location Layout
Topographic Maps "A", "B", and "C"
Gas Sales Pipeline Exhibit "A"

Enron Oil and Gas Company will be the designated operator of the subject well under Nation Wide Bond #81307603.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen or plug back give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNER: Lynnda L. Ware TITLE: Sr. Admin. Clerk DATE: 9/14/92

(This space for Federal or State office use)

PERMIT NO.

43 047-303166

APPROVAL DATE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY

TITLE

DATE: 9/29/92

BY: JAN Jathen

WELL SPACING: 649-23

*See Instructions On Reverse Side

ENRON OIL & GAS CO.

BASIS OF ELEVATION

SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

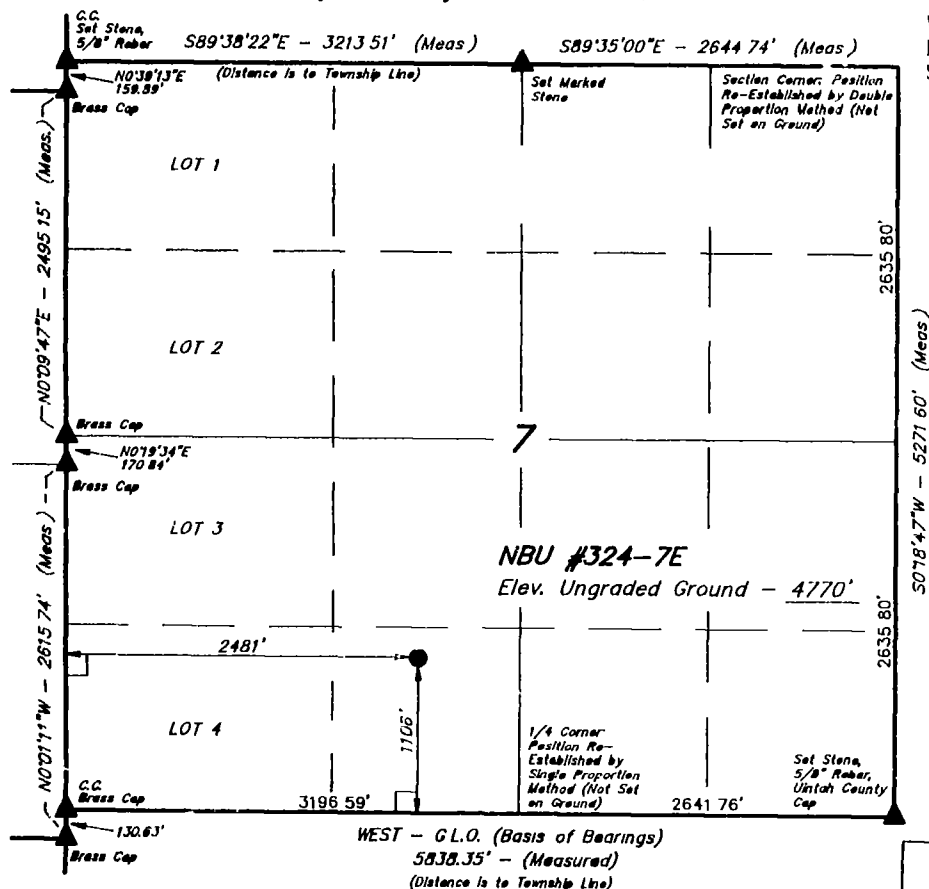
REGISTERED LAND SURVEYOR
REGISTRATION NO 5709
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(801) 789-1017

SCALE	1" = 1000'	DATE SURVEYED.	9-1-92	DATE DRAWN.	9-5-92
PARTY	GS JF. JLG	REFERENCES	G.I.O. PLAT		
WEATHER	HOT	FILE	ENRON OIL & GAS CO		



LEGEND:

- L = 90° SYMBOL
 ● = PROPOSED WELL HEAD.
 ▲ = SECTION CORNERS LOCATED

EIGHT POINT PLAN

NATURAL BUTTES UNIT 324-7E

SECTION 7 TOP R21E

UTAH COUNTY, UTAH

1 & 2 ESTIMATED TOPS & ANTICIPATED OIL GAS & WATER ZONES

FORMATIONS	DEPTH	TYPE ZONES	MAXIMUM PRESSURE
Green River			
Oil Shale	1,931'		
"H" Marker	3,605		
"J" Marker	4,316'		
Base "M" Marker	4,932'		
Wasatch			
Peters Point	5,257	Gas	2,400 PSI
Chapita Wells	5,787'	Gas	2,600 PSI
Buck Canyon	6,347'	Gas	2,900 PSI
Island	7,270'		
EST TD	7,300'	Anticipated BHP	3,300 PSI

All depths are based on estimated KB elevation 4,778' Maximum pressure estimates are based on bottom hole pressures measured on offset or near vicinity wells to the subject well

3 PRESSURE CONTROL EQUIPMENT BOP Schematic Diagram attached

4. CASING PROGRAM

HOLE SIZE	INTERVAL	LENGTH	SIZE	WEIGHT	GRADE	MINIMUM SAFETY FACTOR COLLAPSE BURST TENSILE
12 1/4"	0' - 240'	240'	9 5/8"	32 3#	H-40 ST&C	1400 PSI 2270 PSI 254,000#
7 7/8"	0' - 7300'	7300'	4 1/2"	10 5#	J-55 ST&C	4010 PSI 4790 PSI 146,000#

All casing to be used will be new or inspected

5. MUD PROGRAM

INTERVAL	MUD TYPE
0' - 240'	Air
240' - 4800'	Air/Mist & Aerated Water
4800' - TD	Aerated 3% KCl water or KCl substitute
TD	Gel/polyacrylamide polymer w/5-10% LCM

Lost circulation probable from 1500' to 3000'±.

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise

EIGHT POINT PLAN

NATURAL BUTTES UNIT 324 7E

PAGE NO. 2

6. VARIANCE REQUESTS

- A. Enron requests a variance to regulations requiring a stratified block line (There will be two targeted trees in block line).
- B. Enron requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the block line (not required or aerated water system).

7. EVALUATION PROGRAM.

Logs: Dual Laterolog/GR From base of surface casing to TD.
FDC-CNL/GR/Caliper TD to 3500'
Linear 2" DLL.

Cores: None Programmed
DST' None Programmed

Completion: To be submitted at a later date.

8. ABNORMAL CONDITIONS

None anticipated

9. STANDARD REQUIRED EQUIPMENT-

- A Choke Manifold
- B Kelly Cock
- C Stabbing Valve
- D Visual Mud Monitoring

Attachment: BOP Schematic Diagram

NBU324-7EPP

/LW

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SEP 21 1992

DIVISION OF
OIL GAS & MINING

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Enron Oil & Gas Company
Well Name & Number: Natural Buttes Unit 324-7E
Lease Number: U-0575-B
Location: 3196.59' FSL & 2481' FWL SE/SW Sec. 7 T. 9S R. 21E
Surface Ownership: Ute Indian Tribe

NOTIFICATION REQUIREMENTS

- Location Construction - forty-eight (48) hours prior to construction of location and access roads.
- Location Completion - prior to moving on the drilling rig.
- Spud Notice - at least twenty-four (24) hours prior to spudding the well.
- Casing String and Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.
- BOP and related Equipment Tests - twenty-four (24) hours prior to running casing and tests.
- First Production Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- F. See attached Wellsite Plate showing direction of travel, reference station, location and attached TOPO Map "B" showing access to location from existing road.
- E. The proposed well site and related activities are located on the south side of Cedar Creek. See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing road will be maintained and no new access road will be required. Off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be 0.2 miles in length. See attached TOPO Map "E".
- B. The access road has a 30 foot ROW w/18 foot running surface.
- C. Maximum grade on access road will be 5%.
- D. No turn outs will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges or major cuts & fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards or fences will be required or encountered.

New or reconstructed roads will be centerline - flagged at time of location staking.

All travel will be confined to existing access road Right-of-Way. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service Publication Surface Operating Standards for Oil & Gas Exploration and Development, (1989).

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossing shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

A Right-of-Way application will be required.

As operator Enron Oil & Gas Company shall be responsible for all maintenance on catileguards, or gates associated with this oil and gas operation

3. LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION

- F. Water Wells - None
- G. Abandoned wells - None
- C. Temporarily abandoned wells - None
- D. Disposal wells - None
- E. Drilling wells - None
- F. Producing wells - Ten - See attached TOPO Map "C" for location of producing wells
- G. Shut in wells - None
- H. Injection wells - None

4. LOCATION OF EXISTING/AND OR PROPOSED FACILITIES

A. ON WELL PAD

- 1. Tank batteries - None
- 2. Production facilities will be set on location if well is successfully completed for production. Facilities will consist of well head & valves, separator, dehy, 210 BBL condensate tank, meter house and attaching piping. See attached facility diagram
- 3. Oil gathering lines - None
- 4. A 3 1/2" gathering line will be buried from dehy to east edge of location
- 5. Injection lines - None
- 6. Disposal lines - None
- 7. Surface pits - None

B. OFF WELL PAD

- 1. Proposed location of attendant off pad gas flowlines shall be flagged prior to archaeological clearance.
- 2. A 4 1/2" OD steel above ground natural gas pipeline will be laid approximately 1200' from proposed location to a point in the NW/SE of Sec. 7, T9S, R21E where it will tie into CIG's existing line. Proposed pipeline crosses Ute Indian Tribe Lands, thus a Right-of-Way grant will be required. See attached Exhibit D showing pipeline route.
- 3. Proposed gas gathering pipeline will be a 4 1/2" OD steel, welded line laid on the surface.
- 4. Protective measures and devices for livestock and wildlife will be taken and or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.

The production facilities will be placed on the south side of location.

All permanent (on site for six months or longer) structure constructed or installed (including pumpjacks) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities required will be painted within 30 days of installation. Facilities required to comply with OSHA (Occupational Safety and Health Act) will be excluded. The required paint colors is Carlsbad Canyon.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from Ouray Brine Plant at Ouray, Utah, and/or Target Trucking Inc's' water source in the SW/SW Sec 35, T9S R22E Uintah County, Utah (State water right #49-1501)
- B. Water will be hauled by Target Trucking Inc.
- C. No water well will be drilled on lease

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of location.
- B. All construction material will come from Ute Tribal Land
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at an approved waste disposal facility.
- 4. Produced waste water will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. During the 90 days period, an application for approval of a permanent disposal method and location, together with the required water analysis, will be submitted for the AO's approval
- 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on drilling rig to avoid leakage of oil to pit.

- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in reserve pit or be removed and dispose of at an authorized disposal site. Introduction of well bore hydrocarbons to reserve pit will be avoided by flaring them off in flare pit at time of recovery.

Burning will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

On BIA administered land

All reserve pits will be lined with either native clay, commercial bentonite or plastic sufficient to prevent seepage. (If a plastic or nylon reinforced liner is used, it shall be torn & removed after the pit dries and before backfilling of the reserve pit).

- To protect the environment.
If the reserve pit is lined the operator will provide the BIA a chemical analysis of the fluids in that pit no later than 90 days after the well completion to determine the method for final reclamation of the reserve pit. If the elemental concentrations shown by the chemical analysis exceeds the requirements described by part II, Standards of Quality for Waters of the State, Wastewater Disposal Regulations, State of Utah Division of Health, the contents and liner will be removed and disposed of at an authorized disposal site.
- To protect the environment (without a chemical analysis).
Reserve pits will be constructed so as not to leak, break, or allow discharge of liquids.
- Storage tanks will be used if drill sites are located on tribal irrigable land, flood plains, or on lands under crop production. After first production, produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety (90) days. During the 90 day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

8. ANCILLARY FACILITIES

- A. No airstrips or camps are planned for this well.

9. WELL SITE LAYOUT

- A. Refer to attached well site plat for related topography cuts and fills & cross sections.
B. Refer to attached well site plat for rig layout and soil material stockpile location as approve on On-site.
C. Refer to attached well site plat for rig orientation parking areas, and access road.

The reserve pit will be located on the north side of location.

The flare pit will be located downwind of the prevailing wind direction on the north side of location a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled topsoil will be stored on the northwest corner.

Access to the well pad will be from the east.

- NA Diversion ditch(es) shall be constructed on the _____ side of the location (above/below) the cut slope, draining to the _____
- NA Soil compacted earthen berm(s) shall be placed on the _____ side(s) of the location between the _____
- NA The drainage(s) shall be diverted around the side(s) of the well pad location _____
- NA The reserve pit and/or pad location shall be constructed long and narrow for topographic reason. _____
- NA The _____ corner of the well pad will be rounded off to avoid the _____

FENCING REQUIREMENTS

All pits will be fenced according to the following minimum standards:

- A. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16'.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and upon completion of construction the fence shall be repaired to BIA or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly travelled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to a new road, crossing any fence located on federal land, or any fence between federal land and private land, the operator will contact the BIA, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with (FF 3152 7-1)

If a plastic rigid reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operation will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 12 months from the date of well completion. Before any dirt work takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed.

Contact appropriate surface management agency for required seed mixture.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and BIA will attach the appropriate surface rehabilitation conditions of approval.

ON BIA Administered lands:

Abandoned well sites, roads, or other disturbed areas will be restored to near their original condition. This procedure will include: (a) reestablishing irrigation systems where applicable, (b) re-establishing soil conditions in irrigated fields in such a way as to ensure cultivation and harvesting of crops and, (c) ensuring revegetation of the disturbed areas to the specifications of the Ute Indian Tribe or the BIA at the time of abandonment.

11. SURFACE OWNERSHIP

Access road: Ute Indian Tribe
Location: Ute Indian Tribe

12. OTHER INFORMATION

- A. Enron Oil & Gas Company will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the AO. Within five working days the AO will inform the operator as to:

-whether the materials appear eligible for the National Register of Historic Places,

-the mitigation measures the operator will likely have to implement before the site can be used

-a time frame for the AG to complete an expedited review under 25 CFR 169.11 to confirm that the State Historic Preservation Officer (SHPO) that the findings of the AG are correct and that mitigation is appropriate.

-if the operator wishes at any time to relocate activities and the expense of mitigation and/or the delays associated with this process, the AG will assume responsibility for whatever reclamation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AG will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AG that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator Enron Oil & Gas Company will control noxious weeds along Right-of-Ways for roads, pipelines, well sites or other applicable facilities. A list of noxious weeds will be obtained from the BLM or the appropriate County Extension Office. On BLM administered land a Pesticide Use proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for for stacking and storing drilling rigs.)

On BIA administered land:

Operator's employees, including subcontractors, will not gather firewood along roads constructed by operators. If wood cutting is required, a permit will be obtained from the Forestry Department of the BIA pursuant to 25 CFR 169.13 "Assessed Damages Incident to Right-of-Way authorization". All operators, subcontractors, vendors and their employees or agents may not disturb saleable timber (including firewood without a duly granted wood permit from the BIA Forester.

If the surface rights are owned by the Ute Indian Tribe and mineral rights are owned by another entity, and approved right-of-way will be obtained from BIA before the operator begins any construction activities. If the surface is owned by another entity and the mineral rights are owned by Ute Indian Tribe, rights-of-way will be obtained from the other entity.

All roads constructed by operators on the Uinta and Ouray Indian Reservation will have appropriate signs. Signs will be neat and of sound construction. They will state: (A) that the land is owned by the Ute Indian Tribe; (B) the name of the operator; (C) that firearms are prohibited to all non-Ute Tribal members; (d) that permits must be obtained from the BIA before cutting firewood or other timber products and; (e) only authorized personnel permitted to well. The Ute Indian or the Uinta and Ouray Indian Reservation will have an appropriate sign indicating the name of the operator, the lease serial number, the well name and number, the survey description of the well (either footage or the quarter-quarter section, the section, township and range).

Additional Surface Stipulations

NA No construction or drilling activities shall be conducted between _____ and _____ because of _____

NA No surface occupancy will be allowed within 1,000 feet of any sage grouse strutting ground.

NA No construction or exploration activities are permitted within 1/5 mile radius of sage grouse strutting grounds from April 1 to June 30.

NA There shall be no surface disturbance within 600 feet of live water (includes stock tanks, springs, and guzzlers).

NA No cottonwood trees will be removed or damaged.

NA Pond will be constructed according to BLM specifications approximately _____ ft _____ of the location, as flagged on onsite.

LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION

Enron Oil and Gas Company
P.O. Box 1815
Vernal, Utah 84078
George McBride
Telephone: (801) 789-0790

Enron Oil and Gas Company
P.O. Box 250
Big Piney, Wyoming
Jim Schaefer
Telephone: (307) 276-3331

All lease/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approval plan of operations, and any applicable Notice to Lessees. Enron Oil & Gas Company is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

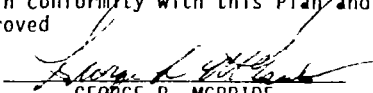
A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The BJA Office shall be notified upon site completion prior to moving of the drilling rig.

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist, that the statements made in the Plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed here in will be performed by ENRON OIL & GAS COMPANY and its contractors and sub-contractors in conformity with this Plan and the terms and conditions under which it is approved.

September 14, 1992
DATE



GEORGE R. MCBRIDE
SR. PRODUCTION FOREMAN

h

NE-224 TEPF

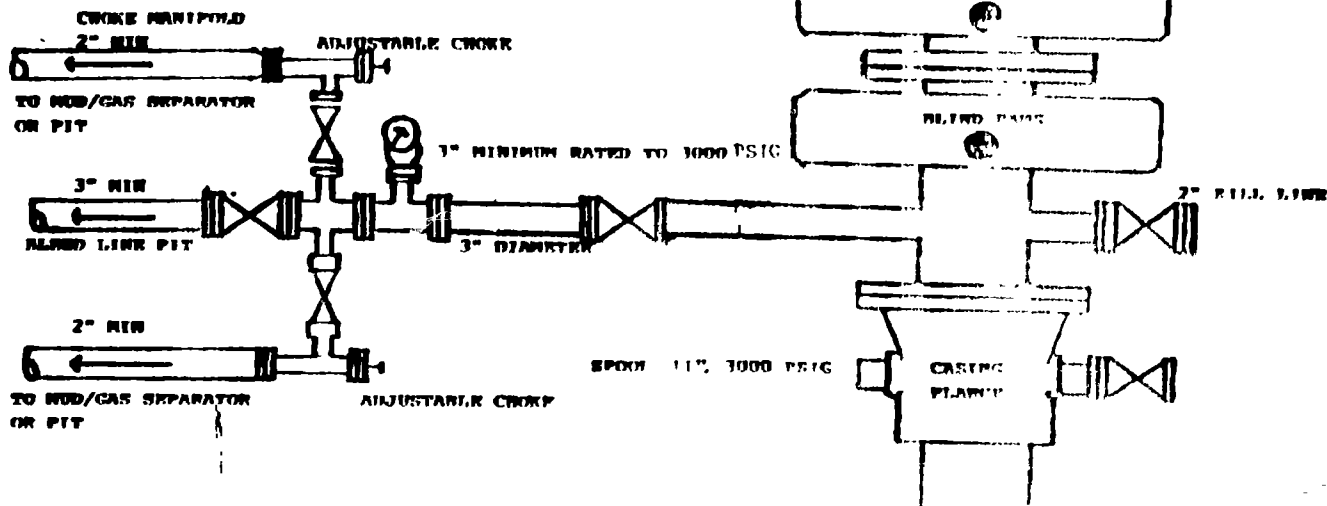
2000 PSIG BOP DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 3000 PSIG RATED.
CASING FLANGE IS 11" 3000 PSIG RATED.
BOPE 11" 2000 PSIG

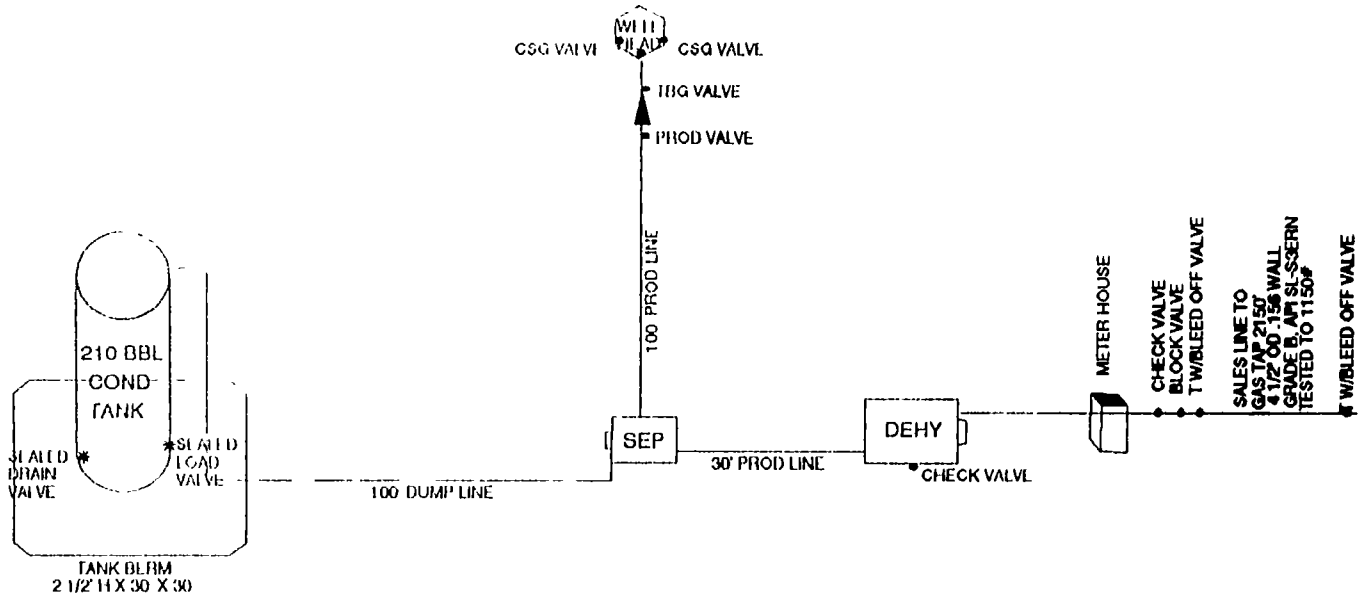
TESTING PROCEDURE:

1. BOPE's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 2000 psig.
3. Annular preventor will be tested to 50% of working pressure, 1500 psig.
4. Casing will be tested to 0.22 psi/ft or 1500 nsig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 2000 psig BOP specifications.

H-100000000 DIA



NATURAL BUTTES UNIT 324-7E
SECTION 7, T9S, R21E
UINTAH COUNTY, UTAH
FEDERAL LEASE #U-0575-A
UTE TRIBAL SURFACE



NBU324-7C,lw

ENRON
Oil & Gas Company

DRILLING PROGRAM

Date, August 3, 1992

REVISION NO. & DATE: _____

PROSPECT NATURAL HUTCHES 117 LEASE 1-01751 10050016-000

WELL NAME & NUMBER Natural Hutches 117-2-001

WELL CLASSIFICATION DW-GAS ANTICIPATED PRODUCTION: OIL GAS X OTHER

LOCATION CALL 660' FSL & 2450' FWL (SF SW)

Section 7, T9S, R21E

Uintah County, Utah

ELEVATION NA

DIRECTION LIMITATIONS: Maximum deviation for the hole will be 6° w/no more
than a 1°/100' double severity. See page number 4 for distance between
surveys

TYPE RIG Land Pottery APPROVED DEPTH 7300' PERMIT DEPTH 7300'

CONDUCTOR NEEDED? No If yes, size & how set: _____

CRITERIA FOR DETERMINING CASING SEAT FOR CRITICAL STRINGS: WOC overnight
before cutting off surface casing to weld on head

CENTRALIZERS (DEPTH & TYPE)

Surface - One 5-10' above shoe & top of first, second & fourth joint.

Production - One @ middle of 1st jt & every third collar to 4500't.

OTHER SERVICES None are anticipated.

WELL NAME W. T. F. RUTHERFORD 24-25FORMATION TOPS & DEPTHS (TENTATIVE)FORMATION NAME & TYPE ESTIMATE DEPTH (EL) DATUM THICKNESS & REMARKS

See Attached Prognosis

X-MAS TREE 12-27-64 4-6-65 3-2-67 1-5-68 1-1-69 1-1-70 1-1-71SPECIAL 2-1/16" FOGA master valvesMUD PROGRAM

<u>DEPTH INTERVAL</u>	<u>MUD WEIGHT</u>	<u>VIS</u>	<u>WL (cc)</u>	<u>TYPE OF MUD</u>
0' to 240'				Air
240' to 4800'				Air/Mist & Aerated Water
4800' to TD				Aerated 3% KCl water or KCl substitute
TD	8 5-9 2	38-45	10-15	Gel/polyacrylamide polymer w/5-10% LCM

DRILLING HAZARDS & SPECIAL INSTRUCTIONS

Lost circulation from 1500' to 3000' Underbalanced circulation system will require rotating head Potential gas kicks in Green River and Wasatch. Potential shale swelling/sloughing problems Meter air & add foamer to maximize consistency of returns & maintain stable pit levels Utilize pack off head while running over hole logs Mix 700-800 bbls mud @ TD as above & displace hole prior to tripping for logs

CEMENT PROGRAM

WELL SIZE	CASING SIZE	DEPTH	CEMENT PROCEDURE
12"	54"	240'	Cement = 125 sg. Class "B" cement + 2% CaCl ₂ + 1% SW cc. 100% Circulate before water ahead of slurry
12"	44"	730'	Cement interval from TD to 4500' w/50/50 Pozmix + 2% ga. + 10% salt. Volume to be calculated from caliper log annular volume to 4500' plus 10% excess
			Cement interval from 4500' to depth specified in conditions of approval with light cement plus specified additives. Volume to be calculated from caliper log annular volume from 4500' to applicable upper depth plus 5% excess.
			Calculate casing 2 hrs before cementing. Reciprocate casing during cementing. Pump 10 bbls mud flush ahead of slurry

CASING PROGRAM

INTERVAL				WEIGHT			MINIMUM SAFETY FACTOR		
SIZE	FROM	TO	LENGTH	#/FT.	GRADE	THREAD	COLLAPSE (psig)	BURST (psig)	TENSILE (psig)
9-5/8"	0'	240'	240'	32.3#	H-40	ST&C	1400	2270	254,000
4-1/2"	0'	7300'	7300'	10.5#	J-55	ST&C	4010	4790	146,000

SURVEY SCHEDULE

DEPTH	DISTANCE BETWEEN SURVEYS	MAX DEVIATIONS FROM VERTICAL	MAXIMUM CHANGE DEGREES/100'
0' to 240'	240'	1 degree	1 degree
240' to TD	500' (or as needed)	6 degrees	1 degree

PREPARED BY: *J. R. Schaefer*
 Jim R. Schaefer, Sr. Production Engineer

APPROVED BY: *Dennis J. Brabec*
 Dennis J. Brabec, Drilling Superintendent

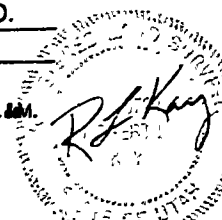
APPROVED BY: *C. C. Parsons*
 C. C. Parsons, District Manager

ENRON OIL & GAS CO.

LOCATION LAYOUT FOR

NBU #324-7E

SECTION 7, T9S, R21E, S.L.B. 44



Proposed Access Road

PROPOSED PIPELINE

C-1.3'
El. 66.8'

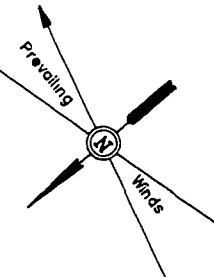
C-0.6'
El. 66.1'

C-3.4'
El. 68.9'

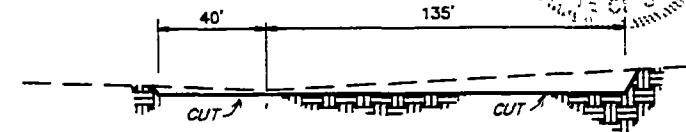
Sta. 3+25

Approx. Top of Cut Slope

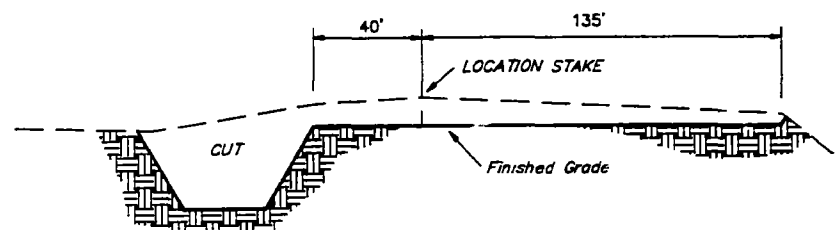
NOTE:
Flare Pit is to be located a min. of 100' from the Well Head



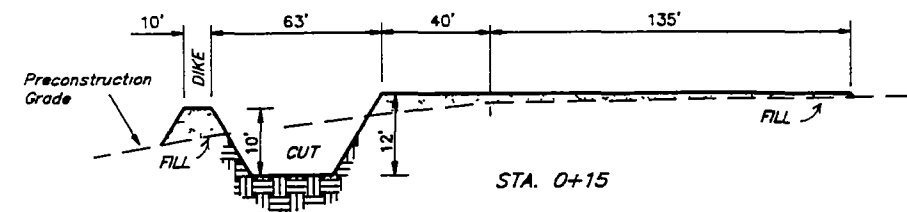
SCALE 1" = 50'
DATE 9-6-92
Drawn By REH



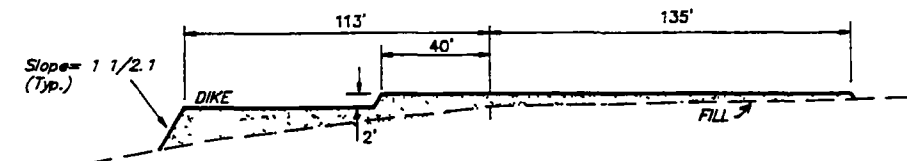
STA. 3+25



STA. 1+50



STA. 0+15



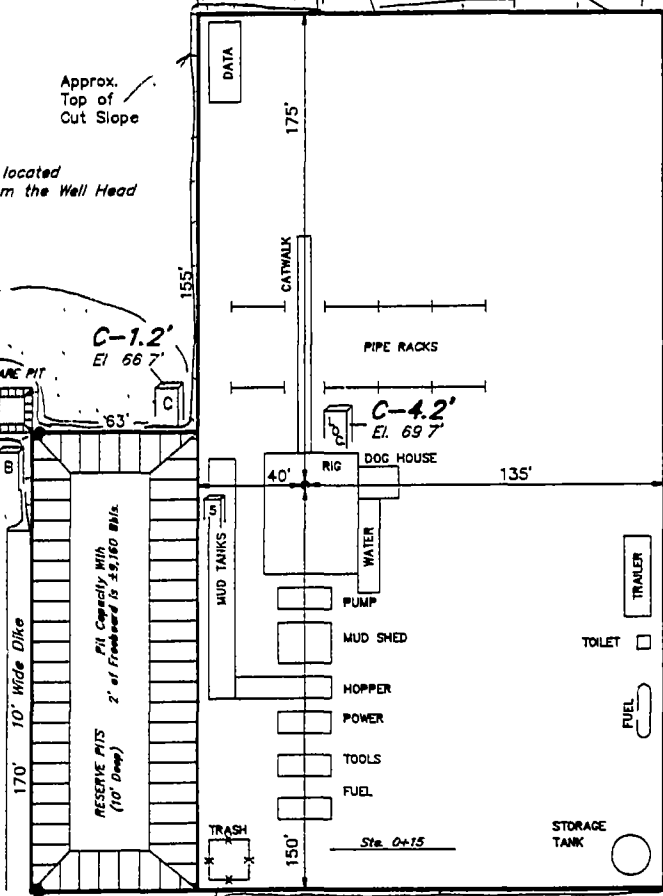
STA. 0+00

TYP. CROSS SECTIONS
TYP. LOCATION LAYOUT

Elev. Ungraded Ground at Location Stake = 4769.7'

Elev. Graded Ground at Location Stake = 4765.5'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East, Vernal, Utah



C-1.7'
El. 67.2'

Sta. 1+50

F-0.9'
El. 64.6'

Sta. 0+00

F-1.9'
El. 63.6'

Topsoil Stockpile

Approx. Toe of Fill Slope

APPROXIMATE YARDAGES

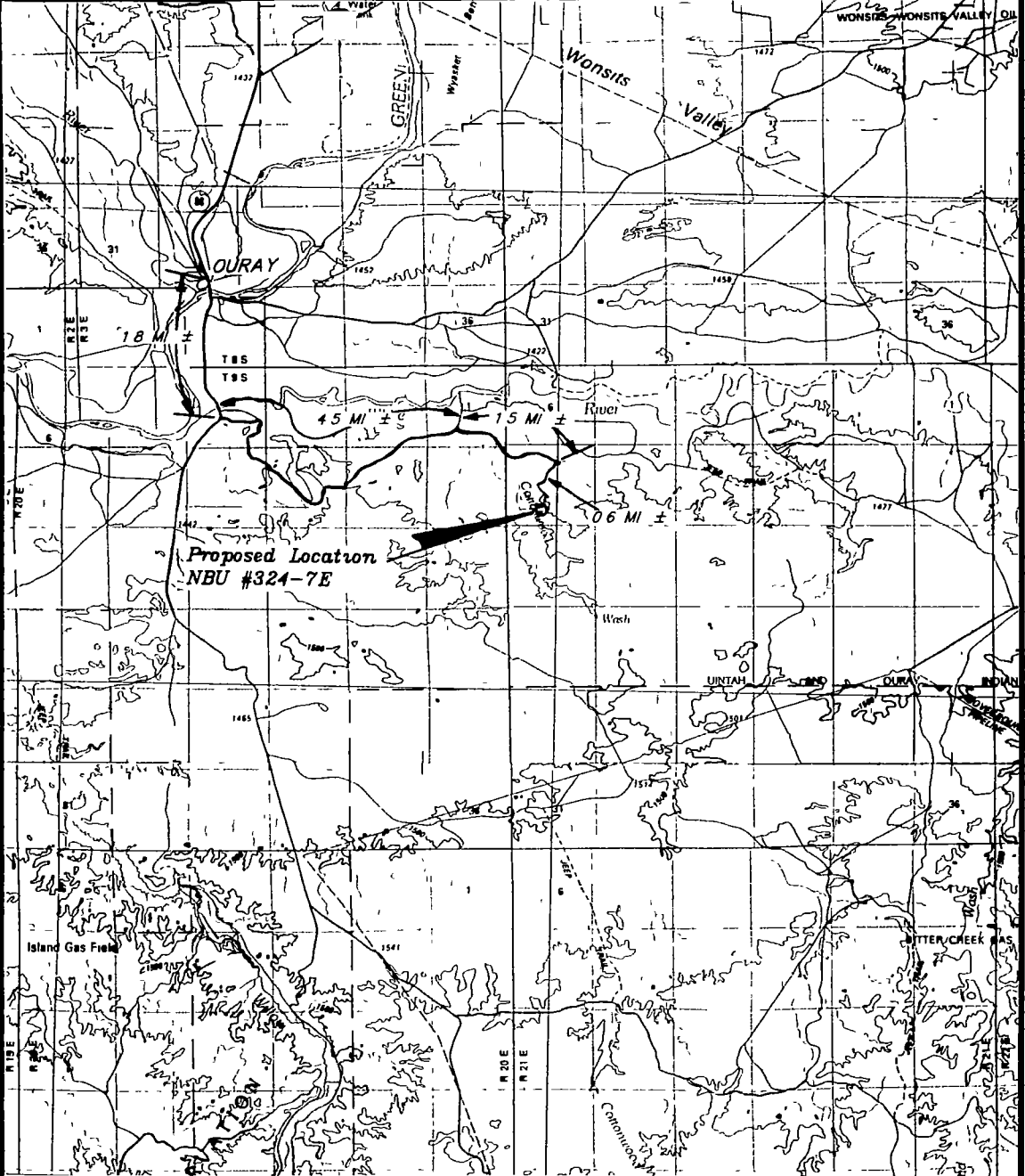
(12") Topsoil Stripping = 2,500 Cu. Yds.

Remaining Location = 5,110 Cu. Yds.

TOTAL CUT = 7,610 CU.YDS.

FILL = 3,620 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION = 3,800 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,800 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 0 Cu. Yds.



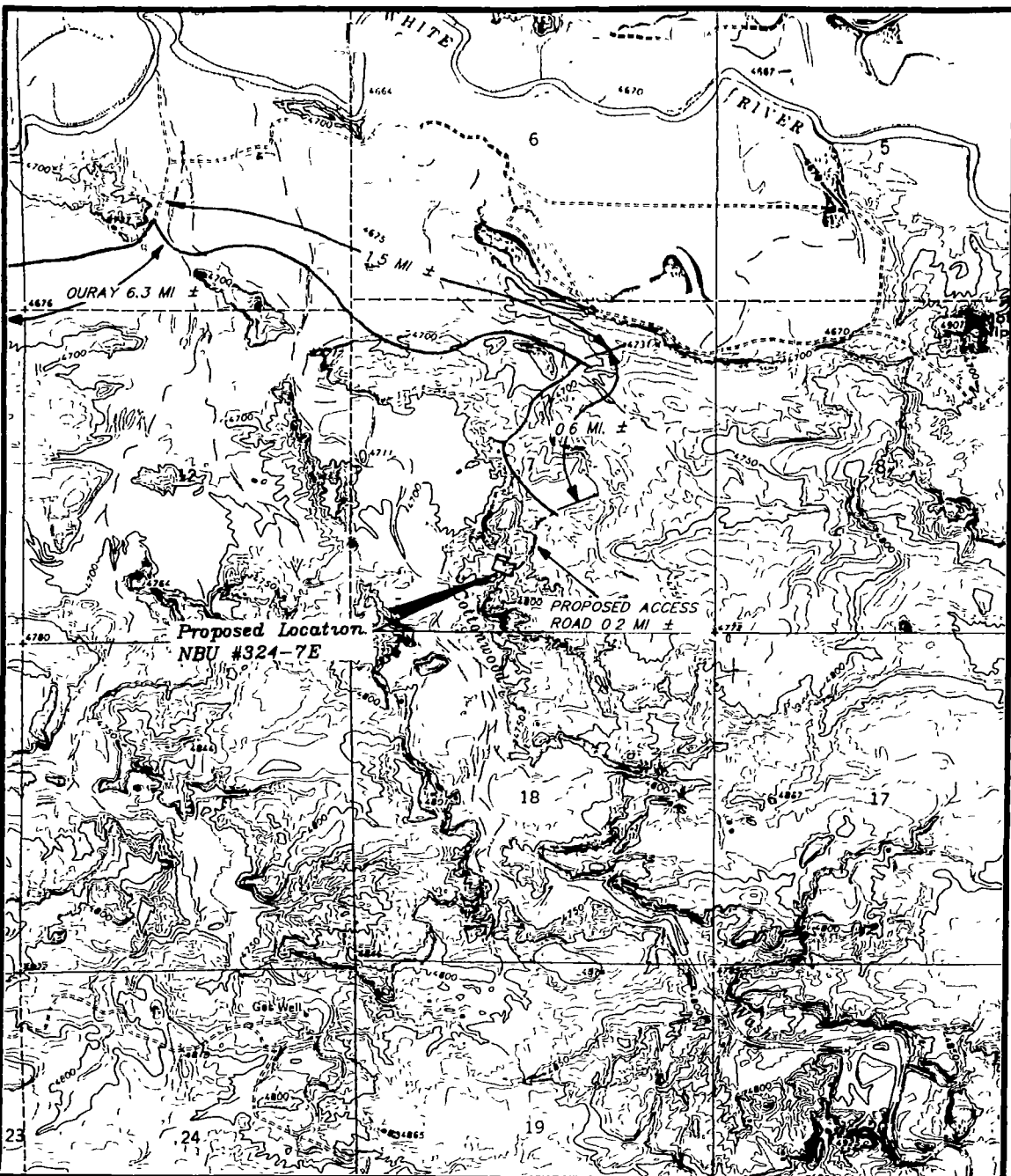
TOPOGRAPHIC
MAP "A"

DATE 9-4-92 JLG



ENRON OIL & GAS CO.

NBU #324-7E
SECTION 7, T9S, R21E, S.L.B.&M.



TOPOGRAPHIC

MAP "B"

SCALE 1" = 2000'

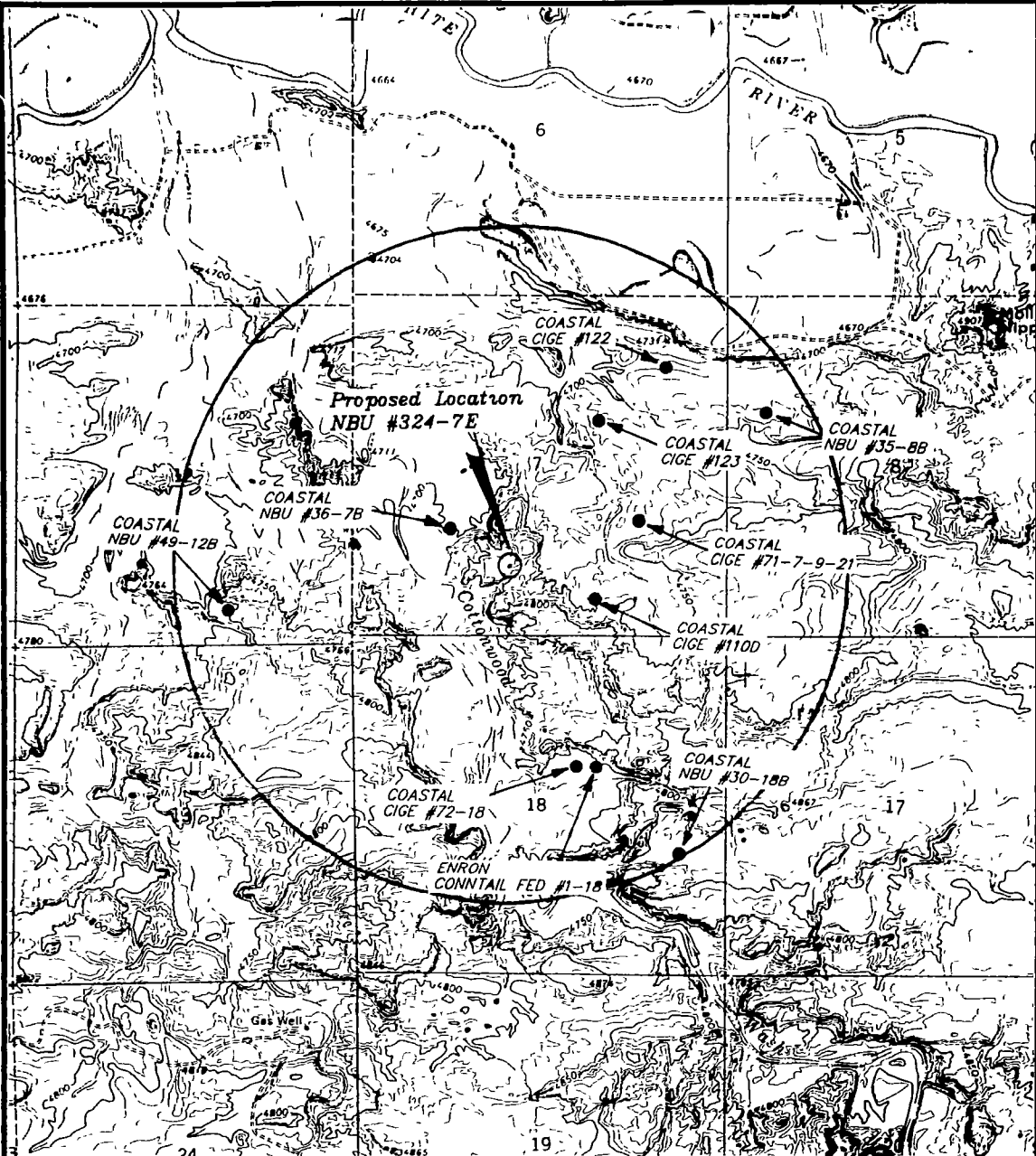
DATE 9-4-92 JLG



ENRON OIL & GAS CO.

NBU #324-7E

SECTION 7, T9S, R21E, S.L.B.&M



LEGEND

- ◊ = Water Wells
- ◆ = Abandoned Wells
- = Temporarily Abandoned Wells
- ⊗ = Disposal Wells
- = Drilling Wells
- ◐ = Producing Wells
- ◑ = Shut-in Wells



ENRON OIL & GAS CO.

NBU #324-7E

SECTION 7, T9S, R21E, S.L.B.&M.

TOPO MAP "C"

DATE 9-4-92 JLG

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

DATE RECEIVED: 09/21/92

OPERATOR: ENRON OIL & GAS COMPANY
WELL NAME: NBU 324-7E

OPERATOR ACCT NO: N-3101

API NO. ASSIGNED: 43-7047-300300

LEASE TYPE: FED LEASE NO: U-0575B
LOCATION: SESW 07 - T09S - R21E UINTAH COUNTY
FIELD: NATURAL BUTTES FIELD CODE: U30

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond
☒ (Number 1)
☒ Potash (Y/N)
☒ Oil shale (Y/N)
☒ Water permit
☒ (Number 191501)
☒ RDCC Review (Y/N)
☐ (Date: _____)

LOCATION AND SITING:

☒ R649-2-3. Unit: Natural Buttes
☐ R649-3-2. General.
☐ R649-3-3. Exception.
☐ Drilling Unit.
☐ Board Cause no: _____
☐ Date: _____

COMMENTS:

Included in 90 MD 101 90
Designation of Agent included in file

STIPULATIONS:



Norman H. Bangert
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center Suite 350
Salt Lake City Utah 84103-1203
(801) 538-5340

September 29, 1992

Enron Oil and Gas Company
P.O. Box 1815
Vernal, Utah 84078

Gentlemen

Re: Natural Buttes Unit 324-7E Well, 1106 feet from the south line, 2481 feet from the west line, SE 1/4 SW 1/4, Section 7, Township 9 South, Range 21 East, Uintah County, Utah

Pursuant to Utah Code Ann. § 40-6-18, (1953, as amended), Utah Admin. R. 649-2-3, Application of Rules to Unit Agreements and R. 649-3-4, Permitting of Wells to be Drilled, Deepened or Plugged-Back, approval to drill the referenced well is hereby granted.

In addition, the following specific actions are necessary to fully comply with this approval:

1. Compliance with the requirements of Utah Admin. R. 649-1 et seq., Oil and Gas Conservation General Rules.
2. Notification within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.
5. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801) 538-5340, (Home) (801) 476-8613, or R. J. Firth, Associate Director, (Home) (801) 571-6068.

Page 2
Enron Oil and Gas Company
Natural Buttes Unit 324-7E Well
September 29, 1992

6. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production

Trash and sanitary waste should be properly contained and transported to approved disposal locations, not retained in or disposed of in pits on location or downhole. Prior to the commencement of drilling operations, the operator should consult the local/county sanitarian and/or the Department of Environmental Quality, Division of Drinking Water/Sanitation, regarding appropriate disposal of sanitary waste.

This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-047-32366.

Sincerely,

A handwritten signature in black ink, appearing to read 'R.J. Pirth', is written over a printed name.

R.J. Pirth
Associate Director, Oil and Gas

ldc
Enclosures
cc. Bureau of Land Management
J L. Thompson
WOI1

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL DEEPEN, OR PLUG BACK

1. TITLE OF WELL

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

2. TYPE OF WELL

3. LEASE LOCATION

Enron Oil & Gas Company

P.O. Box 1815, Vernon, Utah 84078

4. LOCATION OF WELL (Township, Range, and Section) WILL BE SHOWN ON MAP

1106' FSL & 2481' RWL SE/SW

RECEIVED

DEC 02 1992

U-0575-B

5. IF INDIAN ALLOTTEE OR TRIBE NAME

Ute Tribal Surface

6. UNIT ASSIGNMENT NAME

Natural Buttes Unit

7. NAME OF LEASE PARTY

Natural Buttes Unit

8. WELL NO.

224-7E

NBU/Wasatch

9. SEC. T. R. S. M. OR BLM
AND SURVEY OR JOB

Sec. 7, T9S, R21E

10. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

DIVISION OF
OIL GAS & MINING

11. COUNTY OR PARISH 12. STATE

8.6 Miles Southeast of Ouray, Utah

Utah

13. DISTANCE FROM PROPOSED

14. NO. OF ACRES IN LEASE

15. NO. OF ACRES APPLICANT

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING COMPLETED OR APPLICABLE FOR ON THIS LEASE

1106'±

811.02±

80

17. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL DRILLING COMPLETED OR APPLICABLE FOR ON THIS LEASE

1107'±

18. PROPOSED DEPTH

7300'

19. ROTARY OR CABLE TOOLS

Rotary

20. ELEVATIONS (Show whether DF, RT, GR, etc.)

21. APPROX. DATE WORK WILL START

4766' Graded Ground

October 1992

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF PIPE	WALL OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	32.3#	240'	125 sx Class "G" + 2% CaCl2
7 7/8"	4 1/2"	10.5#	7300'	+ 1/2 #/sx celloflake. 50/50

SEE ATTACHMENTS FOR:

8 Point Plan
Drilling Program
BOP Schematic
Surface Use and Operating Plan
Location Plat
Location Layout
Topographic Maps "A", "B", and "C"
Gas Sales Pipeline Exhibit "A"

RECEIVED

SEP 15 1992

Light cement (11 PPG±)
+ LCM to 200' above oil
shale or fresh water
intervals (+ 5% excess).

Enron Oil and Gas Company will be the
designated operator of the subject
well under Nation Wide Bond #81307603

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen or plug back give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program if any.

24

SIGNED Linda L. Ware

TITLE Sr. Admin. Clerk

DATE 9/14/92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

ASSISTANT DISTRICT
MANAGER MINERALS

NOV 24 1992

CONDITIONS OF APPROVAL, IF ANY

NOTICE OF APPROVAL

CONFIDENTIAL

"See Instructions On Reverse Side"

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DATE:

REPLY TO
ATTN OF:

SUBJECT: Superintendent, Uintah & Ouray Agency

TO: Concurrence Letter for Enron Oil & Gas Company.
NEU #324-7E S1/2 Section 7 T.9S., R.21 E., S.L.B.&M.

Bureau of Land Management, Vernal District Office
Attention: Mr. Paul Andrews, Area Manager

Based on available information received on November 12, 1992, we have cleared the proposed location in the following area of environmental impact.

YES NO Listed threatened or endangered species
 YES NO Critical wildlife habitat
 YES NO Archeological or cultural resources
 YES NO Air quality aspects (to be used only if project
 is in or adjacent to a Class I area of
 attainment)
 YES NO Other (if necessary)

Environmental Analysis Report REMARKS:6. MITIGATION STIPULATIONS:
See Attached Environmental Analysis Report. STRICT ADHERENCE TO THE
PROVISIONS FOR MITIGATION ARE REQUIRED.

The Ute Tribe Energy & Minerals Department has the following stipulations:

1. Cultural Preservation Office of Ute Tribe must be contacted for collection or removal of archeological find on wellsite location by a qualified archeologist in accordance with approved archeological collection methods and mitigation requirements.
2. Company must notify Ute Tribe for monitoring of the construction of access road and wellsites by Energy & Minerals technician.
3. Construction work to done on project as authorized for right-of-way only. Construction work must stay within approved area only, in the event work area exceeds approved area the Ute Tribe will be notified for further mitigation.
4. In event any archeological/paleontological findings are encountered or exposed during construction the Ute Tribe Energy & Minerals Department shall be contacted and consulted for further mitigation.
5. All vehicular traffic, personnel movement, construction and restoration operations should be confined to the areas examined, as referenced in report, and to the existing roadway or access routes.
6. All personnel should refrain from collecting artifacts and from disturbing any significant cultural/paleontological resources on all tribal lands.

OPTIONAL FORM NO 10
(REV 1-80)
GSA FPMR (41 CFR) 101-11.6
2010-114

WELL LOCATION INFORMATION

Company/Operator: Enron Oil & Gas Company

API Number: 43-047-32366

Well Name & Number: NBU 324-7E

Lease Number: U-0575-B

Location: SESW Sec. 7 T. 9S R. 21E

Surface Ownership: Tribal Lands administered by BIA

Date NOS Received AUGUST 18, 1991

Date APD Received. September 14, 1992

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|--|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for a 2M system for equipment and testing requirements, procedures, and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the useable water zone, identified at \pm 781 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to \pm 581 ft. and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a

temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7

Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and within 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter.

installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4 1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals.

Gerald E. Kenczka (801) 781-1190
Petroleum Engineer

Ed Forsman (801) 789-7077
Petroleum Engineer

BLM FAX Machine (801) 789-3634

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

SURFACE USE PLAN OF OPERATION
Conditions of Approval (COAs)

STRICT ADHERENCE TO THE PROVISIONS FOR MITIGATION ARE REQUIRED

Ute Tribe Energy & Minerals Department:

Cultural Preservation Office of Ute Tribe must be contacted for collection or removal of archeological find on well site location by a qualified archeologist in accordance with approved archeological collection methods and mitigation requirements.

Company must notify Ute Tribe for monitoring of the construction of access road and well sites by Energy & Minerals technician

Construction work to be done on project as authorized for right-of-way only. Construction work must stay within approved area only, in the event work area exceeds approved area the Ute Tribe will be notified for further mitigation.

In event any archaeological/paleontological findings are encountered or exposed during construction the Ute Tribe Energy & Minerals Department shall be contacted and consulted for further mitigation

All vehicular traffic, personnel movement, construction and restoration operations should be confined to the areas examined, as referenced in report, and to the existing roadway or access routes

All personnel should refrain from collecting artifacts and from disturbing any significant cultural/paleontological resources on all tribal lands. Before the site is abandoned the company will be required to restore the well site, access roads, and pipeline right-of-way to near their original state. The disturbed area will be reseeded with desirable perennial vegetation.

Noxious weeds will be controlled on all well sites and rights-of-way. If noxious weeds spread from the well sites or rights-of-way, the company will also be responsible for their control.

Surface pipelines will be constructed by using the following procedures:

- 1 Staging areas will be set up along roads or well sites. The pipeline will be welded in place at the staging area.
2. As the pipeline is welded it will be pulled to the next staging area by a suitable piece of equipment. Except for unusual conditions only one trip across the right-of-way with equipment is all that will be required

Paleontology - To protect paleontology resources, surface pipeline construction will not occur when the soil is muddy. It will occur when the soil is either frozen or dry.

Salt and pollution loading of the soil and geological formations will be mitigated by requiring the oil company to:

Line reserve pits with impervious synthetic liners.

Use a closed production system

No unlined emergency pit will be permitted

Production water, oil, and other by-products will not be applied to roads or well pads for the control of dust or weeds. Indiscriminate dumping of oil field by-products on tribal lands will not be allowed.

When the well is plugged and/or abandoned the gravel and road base hauled in to construct the well pad and access roads will be incorporated into the soil

All well sites, access roads and pipeline rights-of-way will be cleared by a qualified archaeologist/paleontologist so that cultural sites will be avoided or salvaged.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal District Office
170 South 300 East
Vernal, Utah 84078-2799



3162
UT08438

December 13, 1993

RECEIVED

DEC 20 1993

DIVISION OF
OIL, GAS & MINING

George McBride
Enron Oil and Gas Company
P.O. Box 1815
Vernal, UT 84078

Re: Notification of Expiration
Well No. NBU 324-7E 43-047-32366
SESW, Section 7, T9S, R21E
Lease No. U-0575-B
Uintah County, Utah

Dear Mr. McBride,

The Application for Permit to Drill the above-referenced well was approved on November 24, 1992. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann

Margie Herrmann
Legal Instruments Examiner

cc State Div OG&M
Jim Schaefer



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84100-203
801 538 5340
801 358 3940 (Fax)
801 538 5318 (TDD)

January 5, 1994

George McBride
Enron Oil & Gas Company
P.O. Box 1815
Vernal, Utah 84078

Re: Application for Permit to Drill
Well No. NBU 324-7E
SE SW, Sec. 7, T. 9 S., R. 21 E.
Uintah County, Utah
API No. 43-047-32366

Gentlemen:

The Bureau of Land Management, Vernal District rescinded its approval of the referenced application on December 13, 1993. In conformance with this action, the Division rescinds its approval of the referenced application issued on September 29, 1992.

If you have any questions, please contact Mike Hebertson at (801)538-5340.

Sincerely,

Frank R. Matthews
Petroleum Engineer

ldc

cc. R. J. Firth
Bureau of Land Management - Vernal District
D. T. Staley
D. M. Eatchel
Well file

WO1196

